

**POLICY PROPOSAL** Confine the text of your memo to the front of this page.

**To:** Donna Shalala

**Office Held:** Secretary, Department of Health and Human Services

**From:** [Truman Nominee]

**Problem Statement**

Health care in America is in crisis. 53 million Americans will lack health insurance by 2007 (1). The most at-risk segment of our population are children and protecting their health should be our country's first priority. Despite efforts to make health coverage more accessible, over 11 million children are still without health insurance, and nearly 3 million are in poor or only fair health (2). Past efforts by the federal government to increase health coverage to all Americans have been woefully inadequate. Nearly half of the beneficiaries of Medicaid in 1992 were children (3). In addition, studies have shown that three-fourths of uninsured Americans have full or part-time employment (4). By covering children who are uninsured, and by extending coverage to their families, we can decrease the number of uninsured individuals within the working classes.

**Proposed Solution**

Stronger measures must be undertaken to decrease these numbers. Any adequate response to America's health crisis will require time, effort, and energy, but the necessity in guaranteeing health coverage to all Americans, and especially to our youth, demands it. I propose three policy initiatives. First, expand the Child Health Insurance Program (CHIP). Second, target individuals eligible for CHIP in their home states and enroll them in the program. Finally, expand CHIP to include the parents and families of the children enrolled in the program. CHIP matches states that cover children in families with up to 200% of poverty. By expanding CHIP to children up to 250% the level of poverty (approximately \$41,000 for a family of four), we would immediately reach an additional one million children. Also of concern are the over two million uninsured children who live in households with incomes above 250% of poverty. By allowing these families to buy into CHIP, with a premium less costly than most private options, even more children would be insured. CHIP should actively target children enrolled in school lunch programs, who are often eligible to receive CHIP or Medicaid. In addition, the application process should be made more accessible and uniform across the country to ensure participation and enrollment, and should be made available not only in schools, but day care centers and clinics. Finally, most uninsured children (over 85%) come from families where the parents themselves are uninsured.(5) By extending CHIP coverage to parents, many Americans would be provided with an affordable health care option. The expansion of CHIP to cover the over seven million uninsured parents whose children take advantage of the program would be an efficient, beneficial, and family friendly solution.

**Major Obstacles/Implementation Challenges**

Opponents of this plan may argue that the resource-intensive nature of this program is beyond the scope of the federal government's duties or that it may cost too much. Upon examining the plan, however, one will note that most of the burden is distributed between federal and state institutions. [Note, too, that the Federal government would increase the CHIP allotment only as states expand eligibility.] Given the cost splitting of this program, no one institution will be forced to bear an excessive burden. The supplemental premiums brought by individuals will further offset costs of the program. Given this nation's recent unprecedented peacetime economic growth, there would be no better time to initiate such change. If we wait, and the economy worsens, this country could be faced with a burden of upwards of 60 million uninsured Americans (6). Quite simply, now is the best time to act to both insure the health of our country and to secure our future growth.

**Signature:**

**Date:**